The Real Estate ANALYST

NOVEMBER 25
1955

Volume XXIV

Number 52

Real Estate Economists, Appraisers and Counselors

PERSONAL INCOME IN 1954

ALTHOUGH total personal income in the United States rose slightly in 1954, it failed to keep pace with population growth. As a result, per-capita income dropped minutely (about 1%) for the first time since 1949. The per-capita personal income in 1954 reached $1, 770 compared with the alltime peak of $1, 790 in 1953.

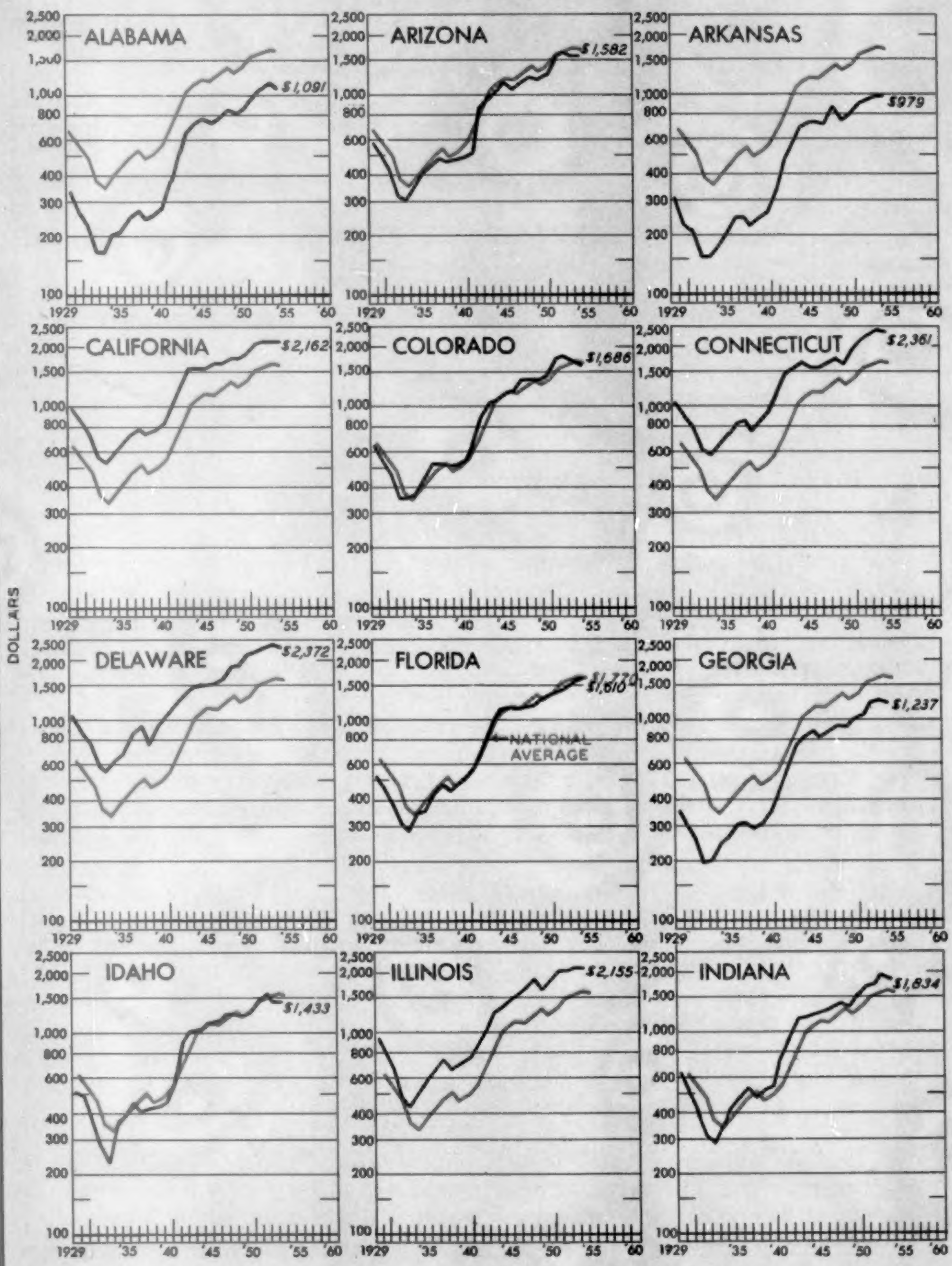
Per-capita personal income varied widely from State to State. The charts on pages 498 through 501 show you the course it has followed from 1929 to 1954 in each of the 48 States. Largely because of its small population, the State of Nevada has the highest per-capita personal income, with a figure of $2, 414. In second, third and fourth place come Delaware, $2, 372; Connecticut, $2, 361; and the District of Columbia, $2, 220. There were only two States where per-capita personal income failed to reach $1, 000 in 1954. They were Mississippi, $873, and Arkansas, $979.

Per-capita personal income declined in 31 of the 48 States and in the District of Columbia during 1954. Biggest drops were in Pennsylvania, off $108 per capita; Michigan, off $107; and Indiana, off $102. The other 17 States showed increases. Most were small, but in Iowa income rose $128 per capita; in Nebraska, $81 per capita; and in New Hampshire, $45 per capita.

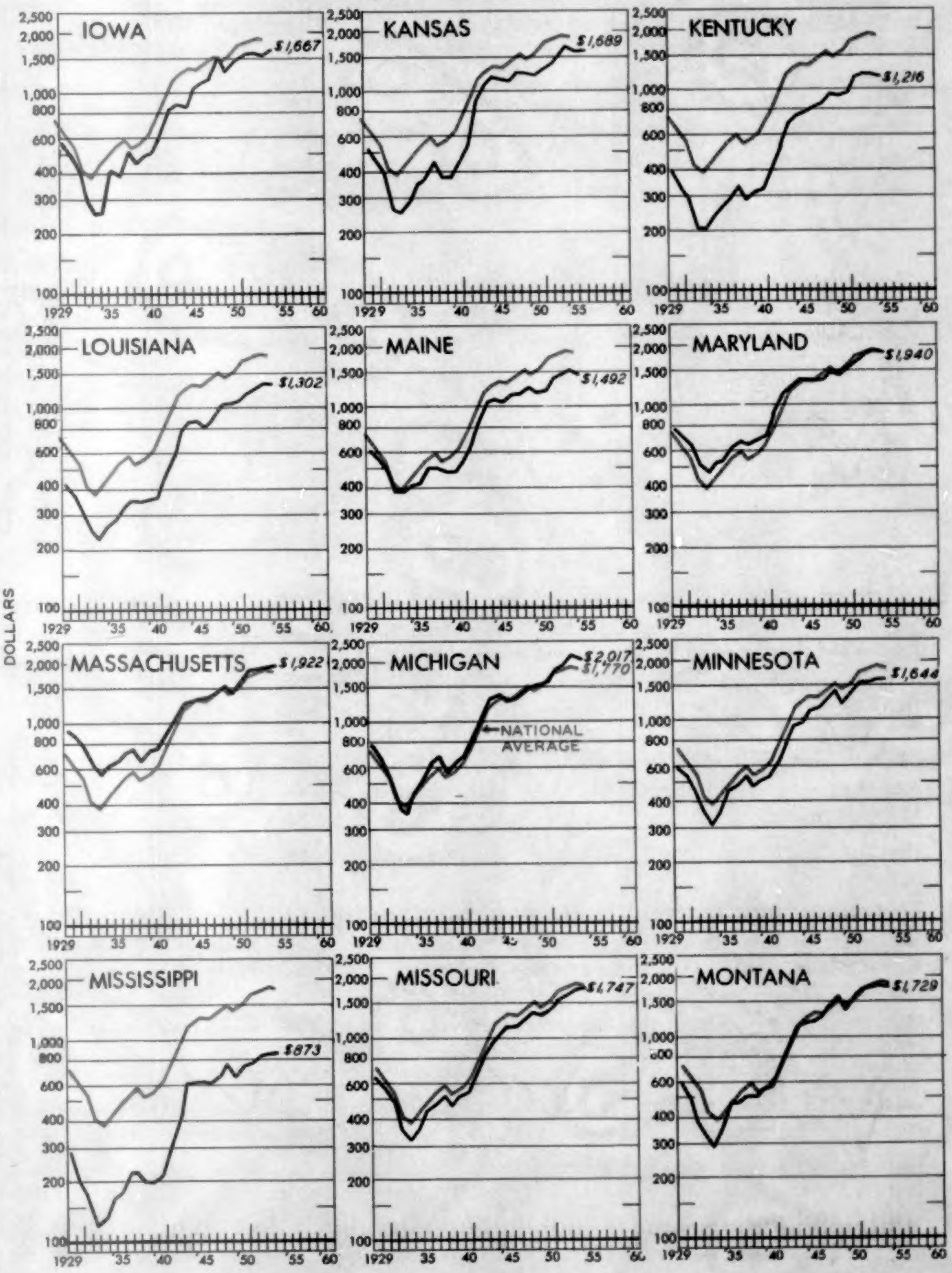
Total personal income by regions reflects the big shift in population that has occurred during the last 25 years. In 1929, personal income in the Middle Atlantic States (New York, New Jersey, and Pennsylvania) amounted to 29.60% of the national total. In 1954, personal income in these same States amounted to only 22.99% of the national total. On the other hand, personal income in the West Coast States of California, Oregon and Washington amounted to only 8.54% of the total in 1929, but reached 12.21% in 1954. Generally speaking, all of the States east of the Mississippi and north of the Ohio River produced a lower percentage of the national personal income in 1954 than they did in 1929.

There is little doubt that the 1955 figures will show improvement all across the country. Total personal income in 1954 was slightly over $285 billion. At the end of July 1955 it was running at the rate of almost $305 billion. This should be enough of an increase to boost per-capita income to a new high despite a continuing rise in population.

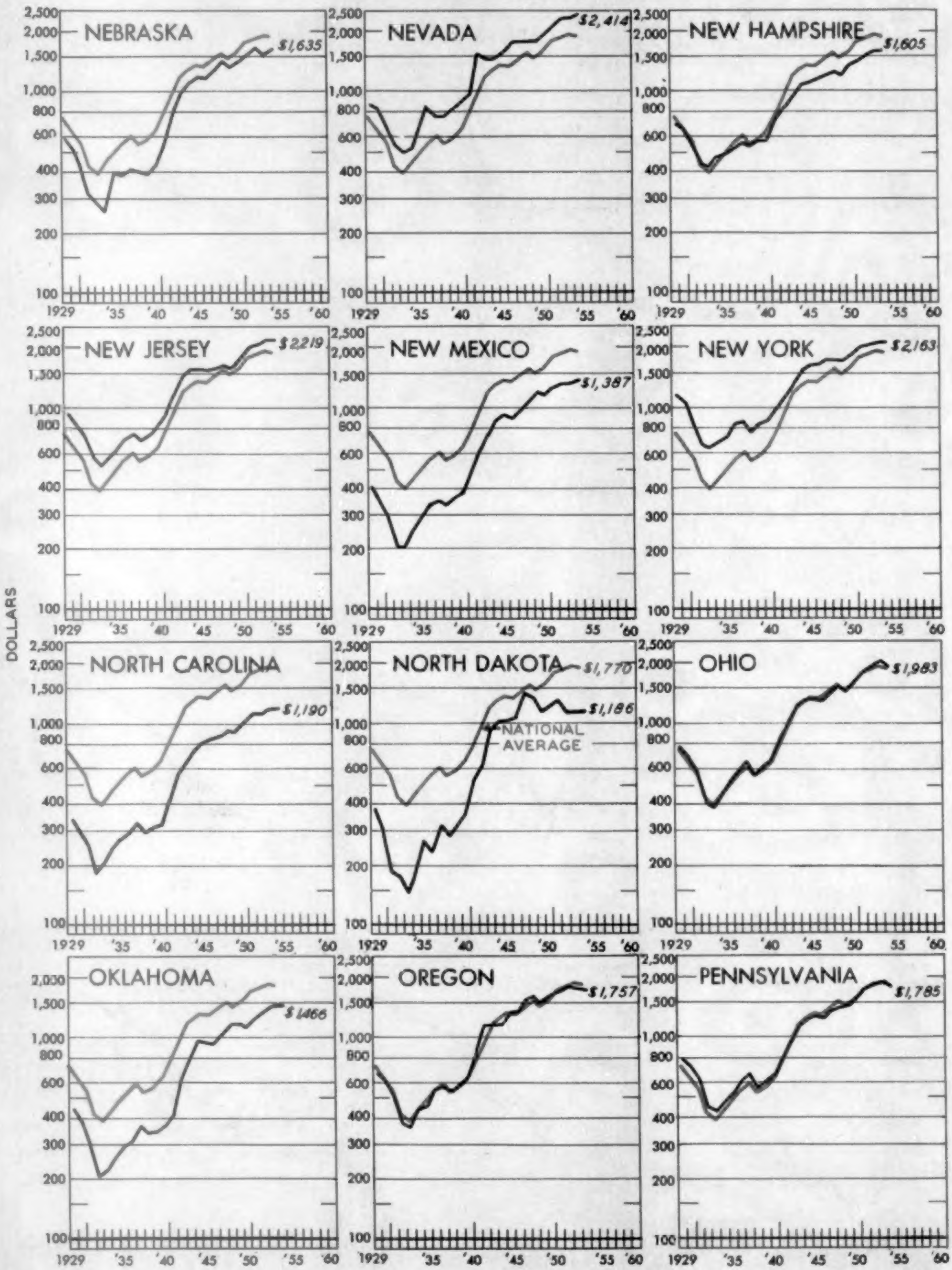
PER CAPITA PERSONAL INCOME



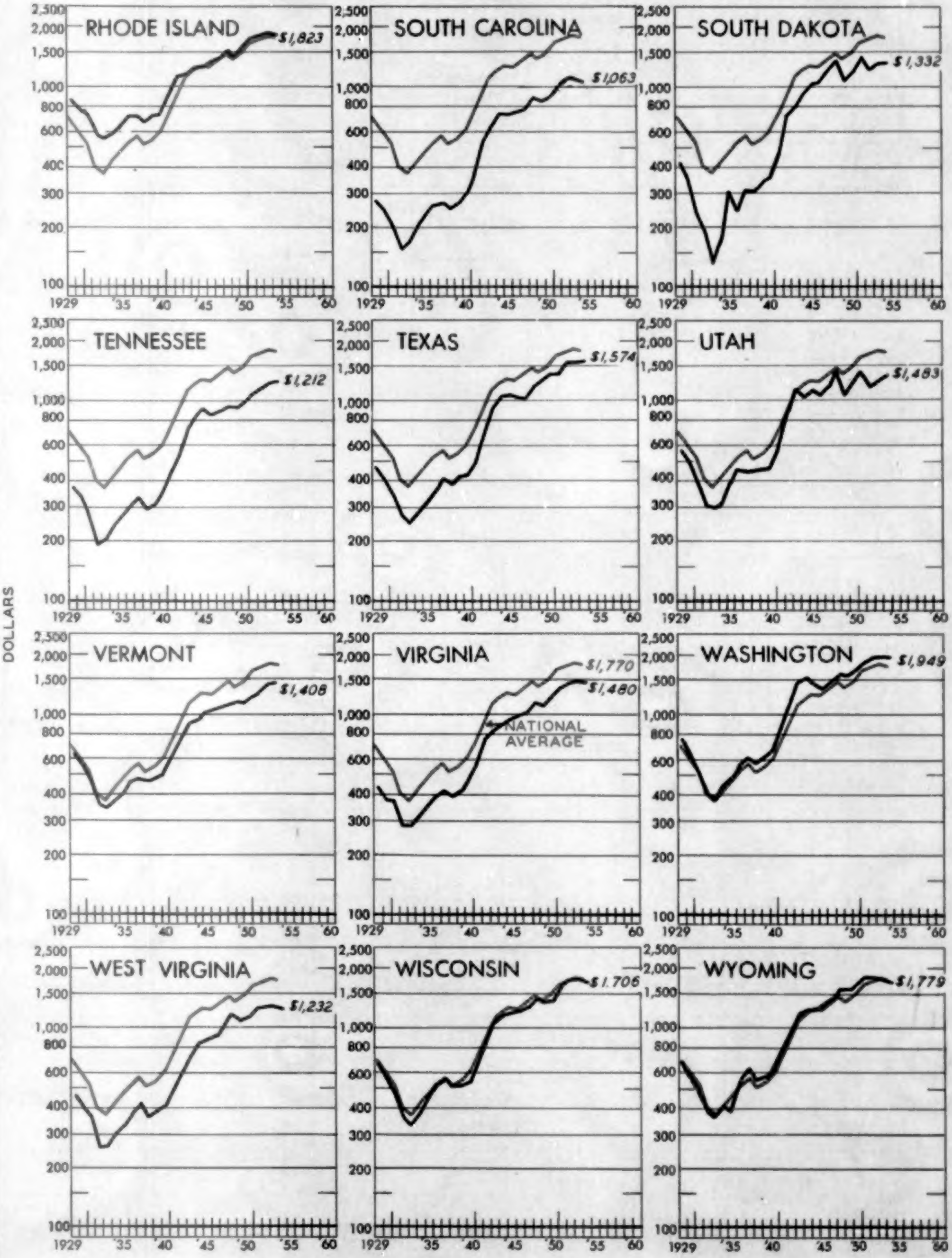
PER CAPITA PERSONAL INCOME



PER CAPITA PERSONAL INCOME

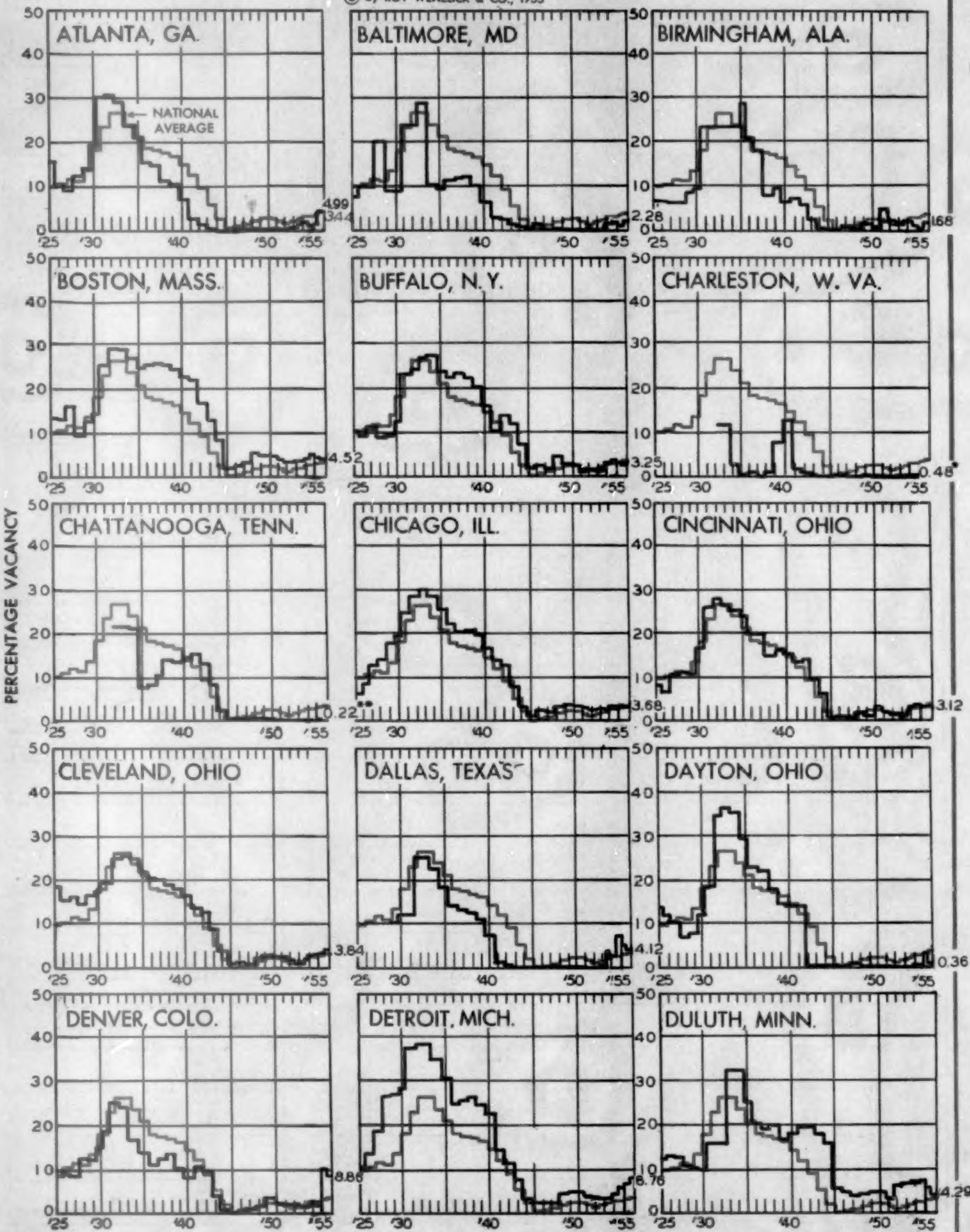


PER CAPITA PERSONAL INCOME



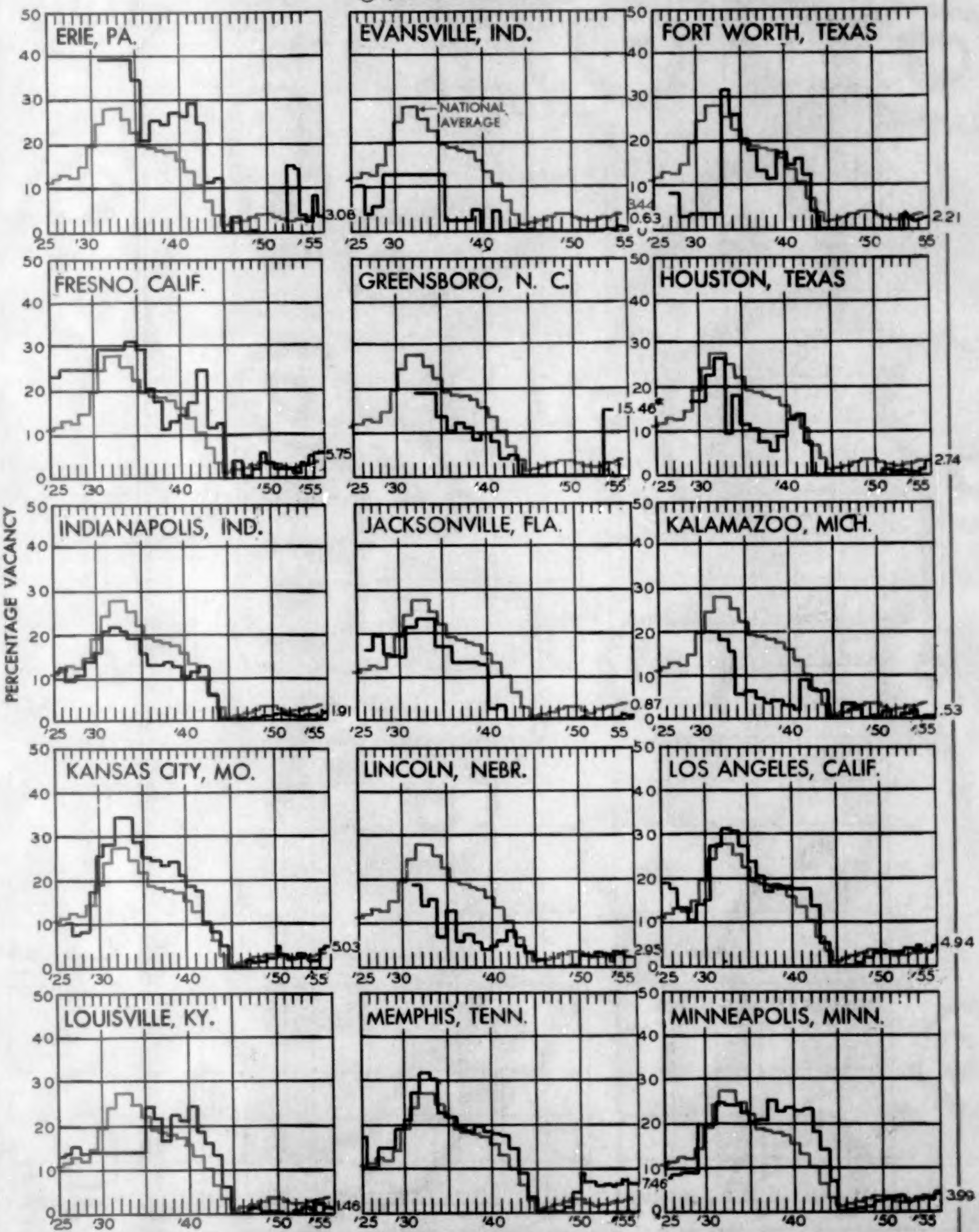
OFFICE BUILDING VACANCY IN PRINCIPAL CITIES

CHARTED BY ROY WENZLICK & CO., FROM DATA FURNISHED BY
THE NATIONAL ASSOCIATION OF BUILDING OWNERS AND MANAGERS



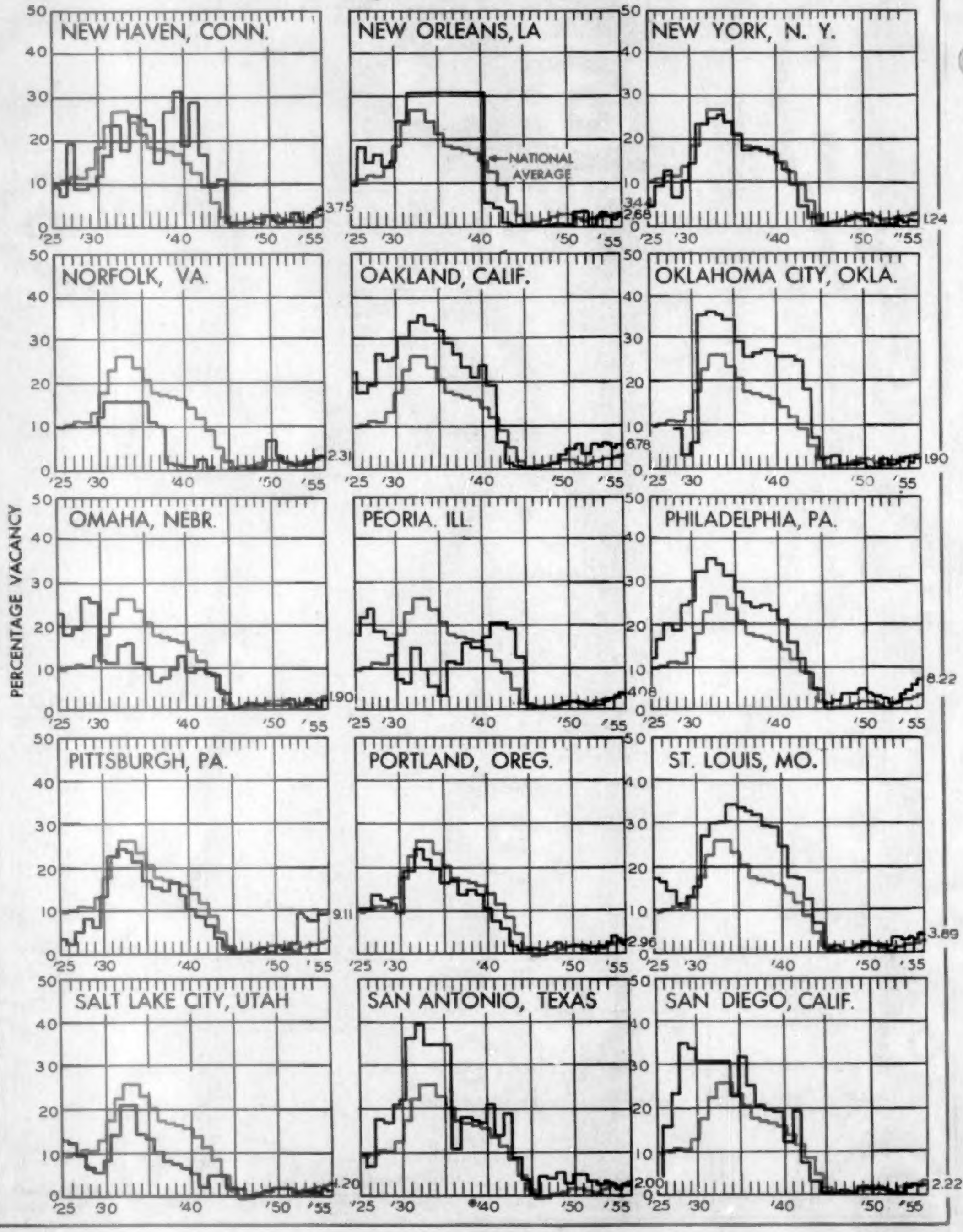
*AS OF OCT. '54
**AS OF JUNE '54

OFFICE BUILDING VACANCY IN PRINCIPAL CITIES

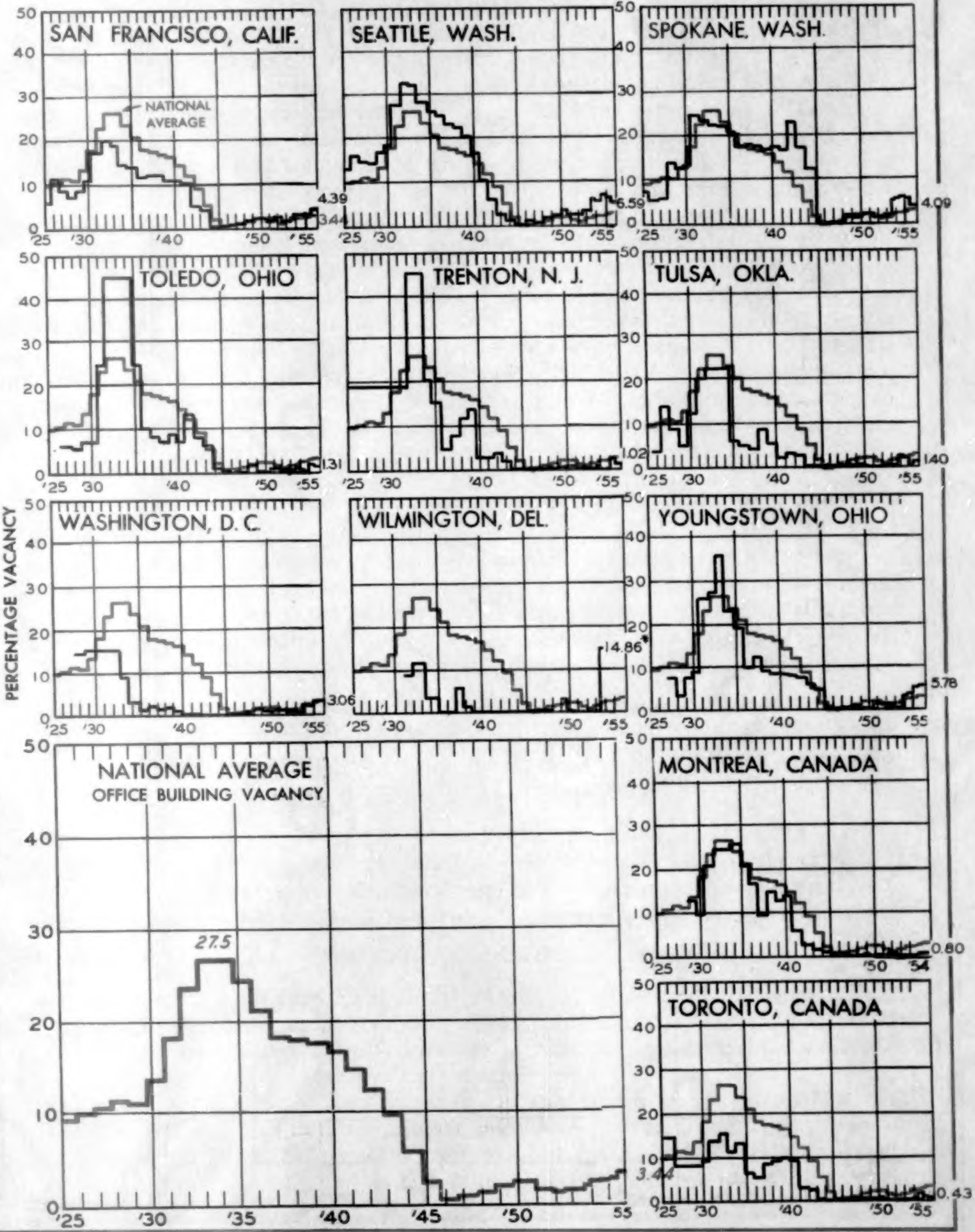


*AS OF MAY '54

OFFICE BUILDING VACANCY IN PRINCIPAL CITIES



OFFICE BUILDING VACANCY IN PRINCIPAL CITIES



*AS OF NOV. 53

RESIDENTIAL VACANCY MAY BE LEVELING OFF

RESIDENTIAL vacancy has not been a serious problem in many places for a long time. There are some cities where it has caused some concern, but these have been comparatively few. We have pointed out a number of times that reliable vacancy figures are seldom available. Those that are published usually suffer from one or more of the following deficiencies: 1. they result from a survey attempting to "prove" one side or the other; 2. they result from a survey taken over too small an area to be applied generally to the country; and 3. they pertain only to vacancy in specialized types of units.

In order to overcome these three deficiencies we have devised our own vacancy index based on "For rent" and "Wanted to rent" ads. * This index is unbiased, it covers more than 50 principal cities, and it includes all types of vacant units. It, therefore, overcomes our principal objections to most other vacancy information. However, it does have weaknesses of its own. Chief among these weaknesses is the fact that only advertised vacancies are considered. There is no way of knowing the percentage relationship between advertised vacancies and total vacancy, and advertised vacancy and total number of housing units. Its chief value would seem to lie in indicating whether the vacancy situation is better or worse, but we would not attempt to use these figures to read how much better or worse without further study at the local level.

The latest index readings seem to indicate that residential vacancy is beginning to level off in many cities. Vacancies are still climbing in some cities, and 44% show an alltime high or higher than 1 year ago. (This figure was 83% last May.) However, the national average turned down for the first time in several years. In an early issue we will bring you more details of city-by-city vacancy.

*See September 1954 Real Estate Analyst, Volume XXIII, No. 43; January 1955 Real Estate Analyst, Volume XXIV, No. 3; March 1955 Real Estate Analyst, Volume XXIV, No. 13; and July 1955 Real Estate Analyst, Volume XXIV, No. 31.

OFFICE BUILDING VACANCY

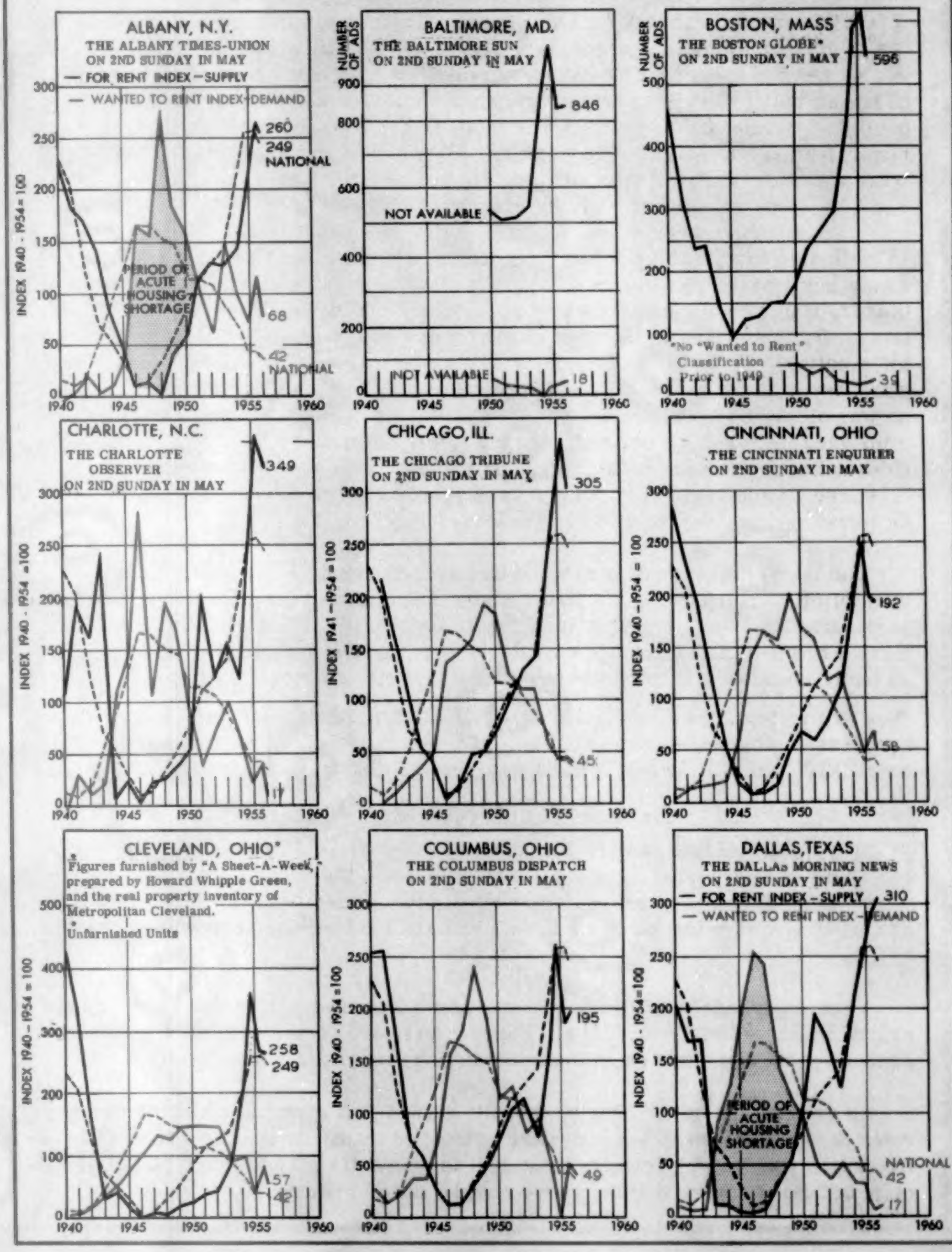
OFFICE building vacancy has been rising slowly for 3 years. However, the rise has been almost imperceptible and the present national average in 2,545 buildings amounts to only 3.44%. These figures cover more than 228 million square feet of space in 172 cities of the United States and 4 Canadian cities.

Vacancy trends in 54 United States and 2 Canadian cities are shown by the charts on pages 502 through 505. These charts are compiled from figures furnished by the National Association of Building Owners and Managers.

As you can see by the charts, there is a good deal of variation in the vacancy rates of the different cities. However, most of them are still less than 3%. In those cities with high vacancy, most of it is concentrated in older type buildings or in buildings so new that they have not had time to fill up.

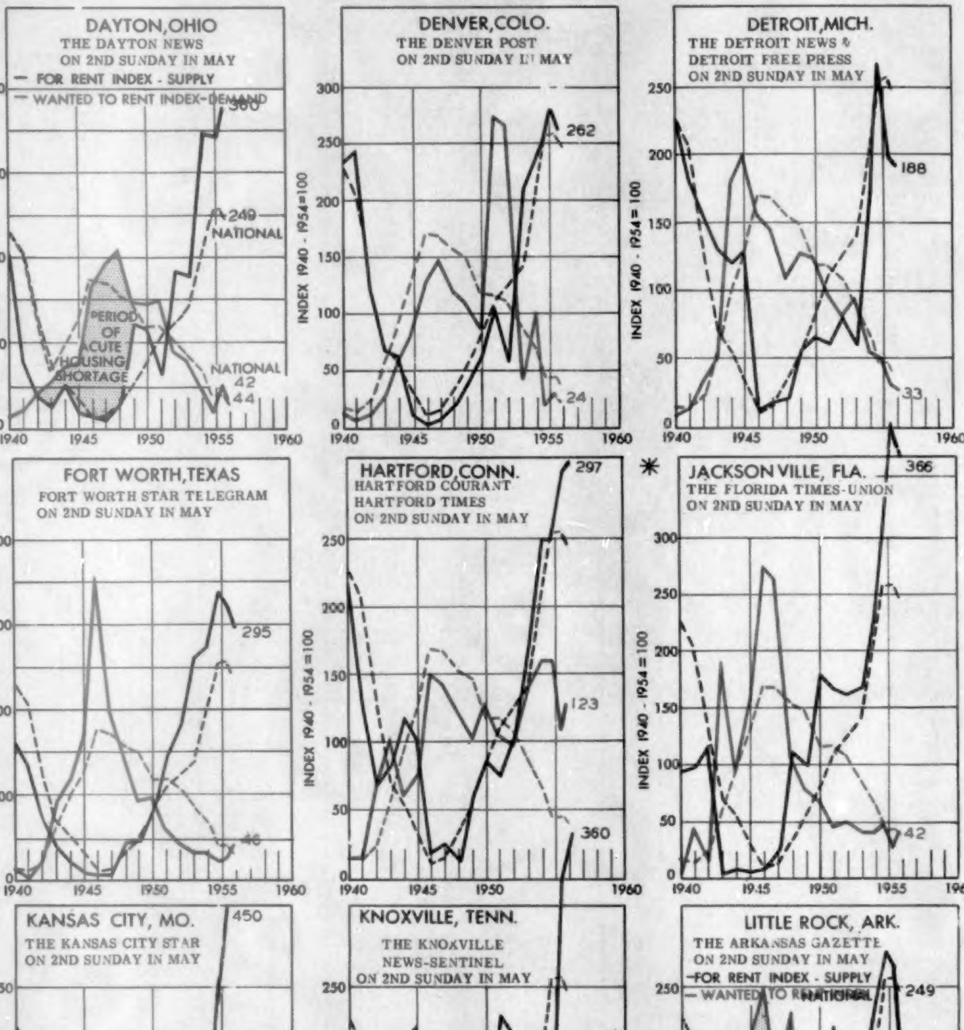
CHANGES IN SUPPLY & DEMAND — RENTAL HOUSING

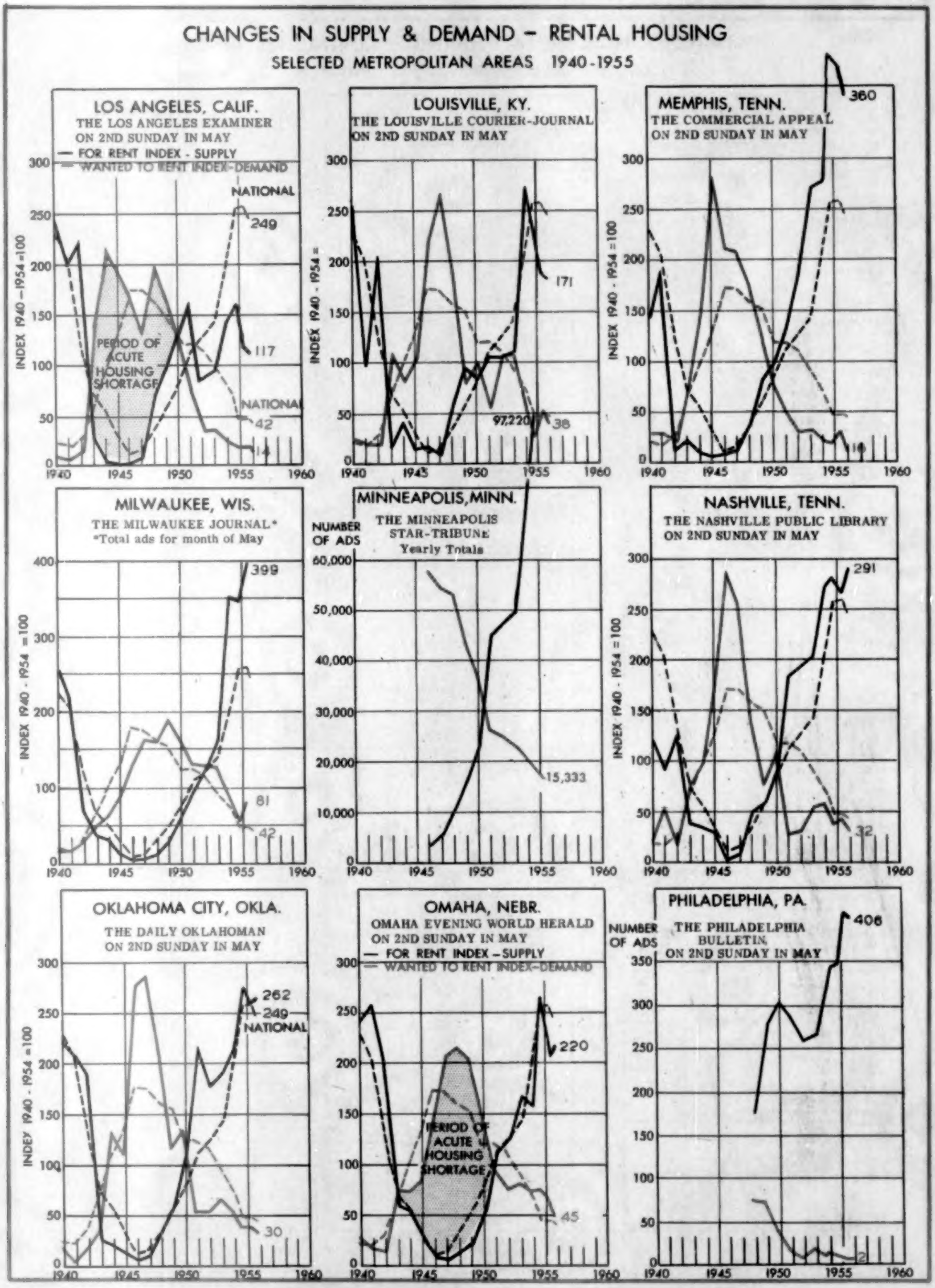
SELECTED METROPOLITAN AREAS 1940-1955



CHANGES IN SUPPLY & DEMAND - RENTAL HOUSING

SELECTED METROPOLITAN AREAS 1940-1955

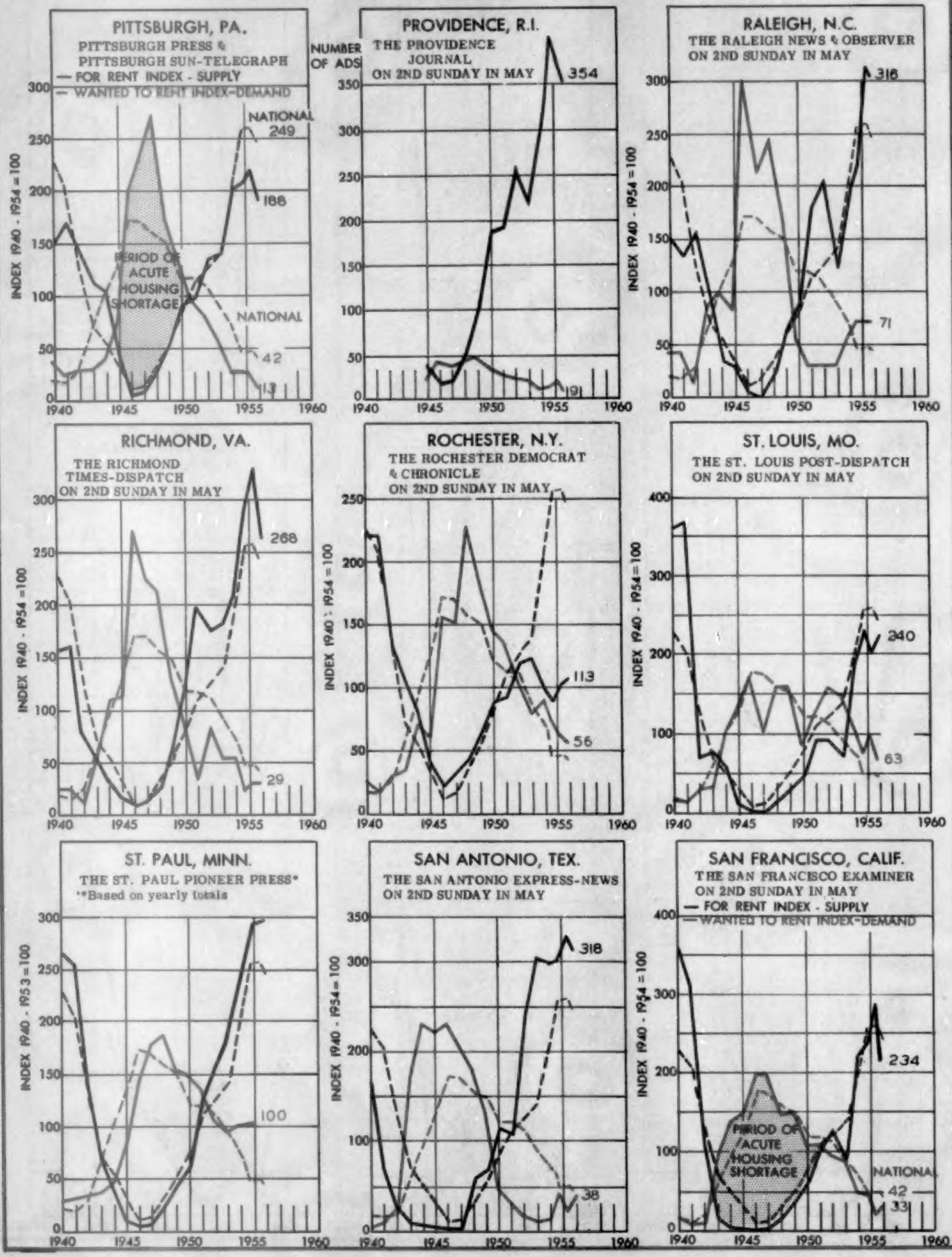




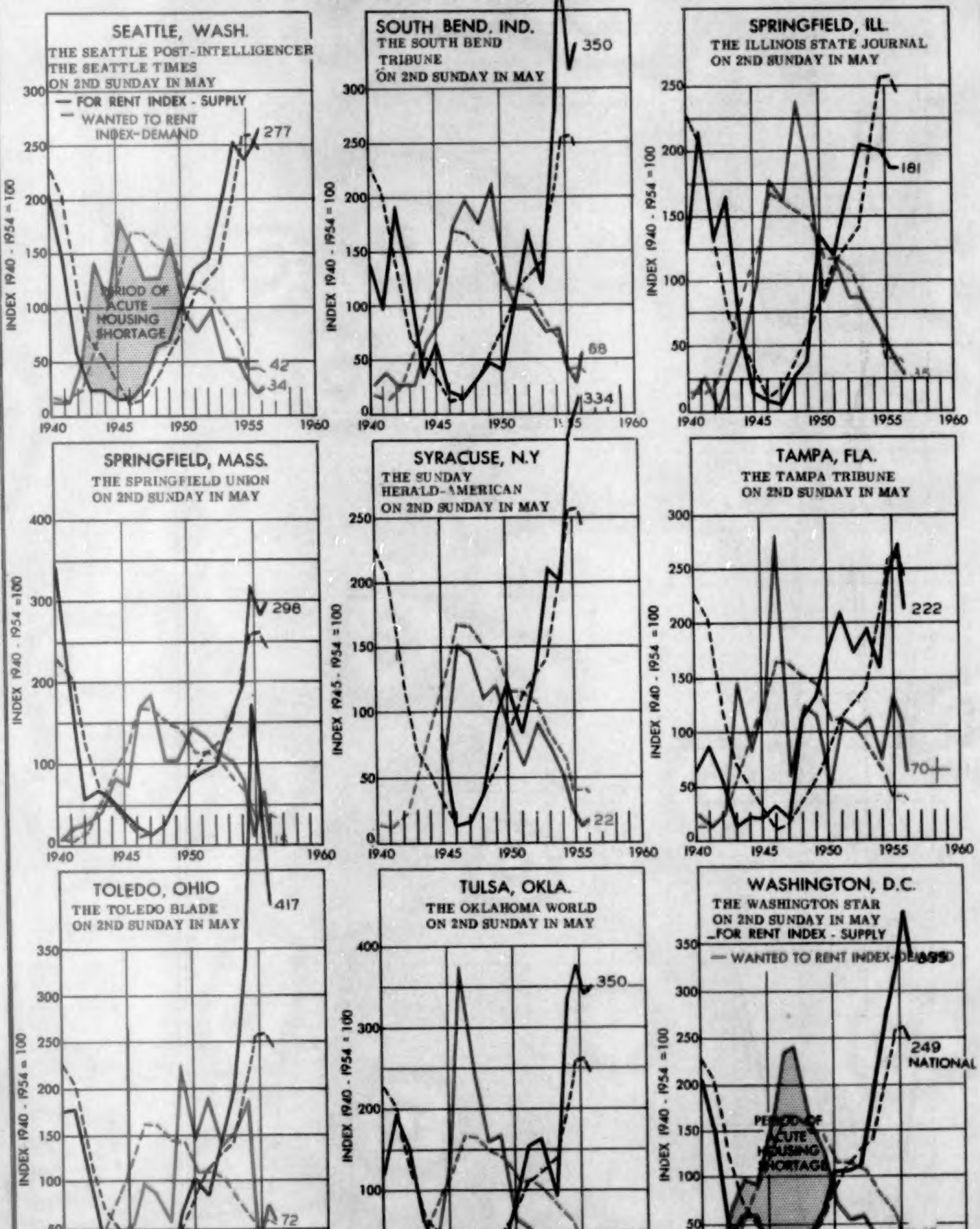
CHANGES IN SUPPLY & DEMAND - RENTAL HOUSING
SELECTED METROPOLITAN AREAS 1940-1955
LOS ANGELES, CALIF.
THE LOS ANGELES EXAMINER
ON 2ND SUNDAY IN MAY
FOR RENT INDEX - SUPPLY
WANTED TO RENT INDEX-DEMAND
NATIONAL
249
PERIOD OF ACUTE HOUSING SHORTAGE
117
42
14
LOUISVILLE, KY.
THE LOUISVILLE COURIER-JOURNAL
ON 2ND SUNDAY IN MAY
171
38
MEMPHIS, TENN.
THE COMMERCIAL APPEAL
ON 2ND SUNDAY IN MAY
360
MILWAUKEE, WIS.
THE MILWAUKEE JOURNAL*
*Total ads for month of May
399
81
42
MINNEAPOLIS, MINN.
THE MINNEAPOLIS STAR-TRIBUNE
Yearly Totals
NUMBER OF ADS
15,333
NASHVILLE, TENN.
THE NASHVILLE PUBLIC LIBRARY
ON 2ND SUNDAY IN MAY
291
32
OKLAHOMA CITY, OKLA.
THE DAILY OKLAHOMAN
ON 2ND SUNDAY IN MAY
262
249
NATIONAL
30
OMAHA, NEBR.
OMAHA EVENING WORLD HERALD
ON 2ND SUNDAY IN MAY
FOR RENT INDEX - SUPPLY
WANTED TO RENT INDEX-DEMAND
PERIOD OF ACUTE HOUSING SHORTAGE
220
45
PHILADELPHIA, PA.
THE PHILADELPHIA BULLETIN
ON 2ND SUNDAY IN MAY
NUMBER OF ADS
406
2
INDEX 1940 - 1954 = 100

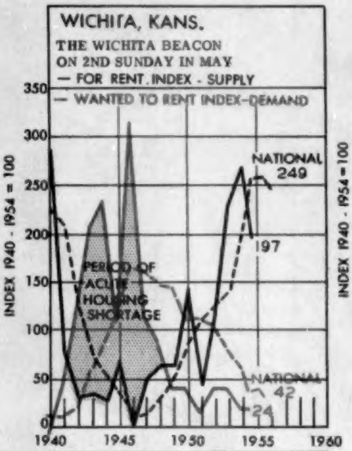
CHANGES IN SUPPLY & DEMAND — RENTAL HOUSING

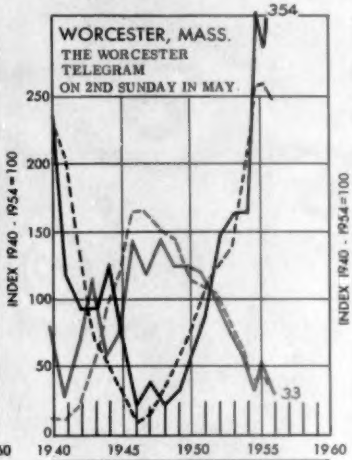
SELECTED METROPOLITAN AREAS 1940-1955

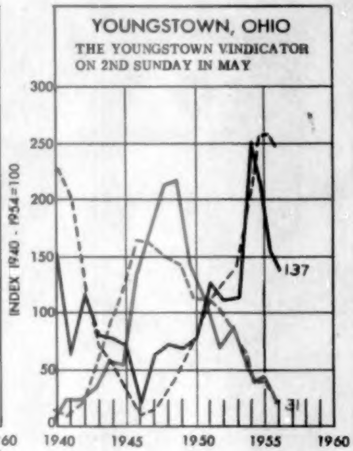


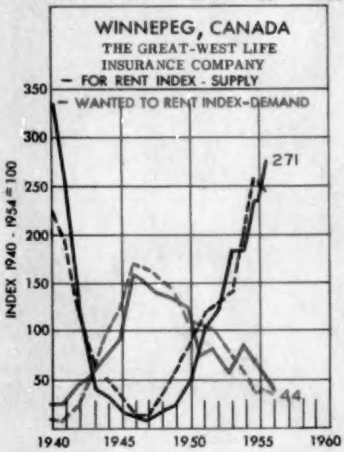
CHANGES IN SUPPLY & DEMAND— RENTAL HOUSING

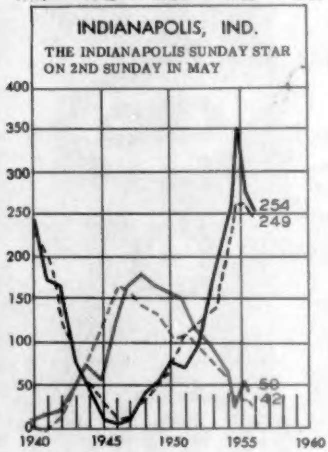



WICHITA, KANS.
THE WICHITA BEACON
ON 2ND SUNDAY IN MAY
— FOR RENT. INDEX - SUPPLY
-- WANTED TO RENT INDEX-DEMAND
INDEX 1940 - 1954 = 100
PERIOD OF ACUTE HOUSING SHORTAGE
NATIONAL 249
197
NATIONAL 42
24


WORCESTER, MASS.
THE WORCESTER TELEGRAM
ON 2ND SUNDAY IN MAY
INDEX 1940 - 1954 = 100
354
33


YOUNGSTOWN, OHIO
THE YOUNGSTOWN VINDICATOR
ON 2ND SUNDAY IN MAY
INDEX 1940 - 1954 = 100
137
31


WINNEPEG, CANADA
THE GREAT-WEST LIFE
INSURANCE COMPANY
— FOR RENT INDEX - SUPPLY
-- WANTED TO RENT INDEX-DEMAND
INDEX 1940 - 1954 = 100
271
44


INDIANAPOLIS, IND.
THE INDIANAPOLIS SUNDAY STAR
ON 2ND SUNDAY IN MAY
254
249
50
42